

# For Immediate Release

## Hamilton County SAMCO and HSE Relationship Comes Under Scrutiny

*Relationship of Interest to Ratepayers in Fishers and Noblesville!*

**Indianapolis, January 10, 2011:** INCIN has continued its investigation into the connection between locally-owned and operated Sanitary Management & Engineering Co., Inc. (SAMCO) and Hamilton Southeastern Utilities (HSE). The web that exists between SAMCO and HSE is difficult to unravel but here's what INCIN has uncovered so far from records filed with the Indiana Utility Regulatory Committee (IURC).

HSE, an investor-owned utility started in 1988, is located at 11901 Lakeside Drive in Fishers and provides sanitary sewage disposal service to residents in and around Fishers and Noblesville. HSE's officers are *Kenneth E. Thompson, Kendall W. Cochran, John V. Schneider, Robert L. Bowen, Corby D. Thompson, and Gregory D. Thompson.*

SAMCO holds a contract with HSE for engineering, design, and maintenance services. However, at least four (4) of the HSE officers are also shareholders in SAMCO. The four shareholders listed on IURC records are *John V. Schneider, Robert L. Bowen, Corby D. Thompson, and Gregory D. Thompson.* SAMCO, which is an "affiliate" of HSE, has an office at 11905 Lakeside Dr. which is next to HSE.

Additionally, Kendall Cochran, who is also listed as President of HSE, spends 20% of his time on SAMCO business activities. SAMCO then reimburses HSE for 20% of Cochran's salary.

IURC records reveal that approximately 24% of the 2010 rate hike approved by the IURC was directly attributable to an increase in rates charged by SAMCO to HSE. The Indiana Office of Utility Consumer Counselor (OUCC), a consumer protection agency, contested the HSE rate increase and testified that the proposed increase included "significant profit" in

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SAMCO's charges to HSE. While the IURC ultimately found the SAMCO rates to HSE to be "reasonable" but at what cost to ratepayers?

Do ratepayers in the Fishers and Noblesville area find this interlocking relationship in which officers of HSE are also shareholders SAMCO to be reasonable? Rate payers in Hamilton County should have the right to know why they are paying rate increases, where those rate increases are going, and to whom.

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